

No. 13-1211

IN THE
Supreme Court of the United States

HANA FINANCIAL, INC.,

Petitioner,

v.

HANA BANK AND HANA FINANCIAL GROUP,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

BRIEF IN OPPOSITION

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QUESTION PRESENTED

- I. Following a jury trial in this trademark infringement case, the trial court entered a defense judgment based on three independent theories: (i) the defendant’s trademark priority; (ii) laches; and (iii) the plaintiff’s unclean hands. The Ninth Circuit court of appeals affirmed, holding in part that the issue of trademark “tacking”—a subpart of the trademark priority analysis—is an issue of fact.

The question presented is whether the Court should review the Ninth Circuit’s treatment of the rarely considered issue of tacking as an issue of fact even though: (i) the alleged circuit split is less a split concerning tacking and more a split concerning the “likelihood of confusion” standard, which is not at issue in this Petition; (ii) the district court and Ninth Circuit correctly treated tacking as an issue of fact for the jury because it involves a consumer perception inquiry best decided by a group of consumers; and (iii) review would not alter the result of the case.

RULE 29.6 STATEMENT

Pursuant to this Court's Rule 29.6, the undersigned counsel states that Hana Bank is a wholly owned subsidiary of Hana Financial Group. Hana Financial Group has no parent and no publicly held company owns 10 percent or more of Hana Financial Group.

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**BRIEF IN OPPOSITION TO PETITION
FOR WRIT OF CERTIORARI**

I. INTRODUCTION

This Petition involves a trademark infringement claim, and arises from a Ninth Circuit decision affirming a defense judgment following a jury trial. The defense judgment was based on three independent theories: (i) the defendant’s trademark priority; (ii) laches; and (iii) the plaintiff’s unclean hands.

Petitioner Hana Financial, Inc. challenges only part of the first basis for the judgment, namely trademark priority. Petitioner asserts that respondent’s priority stems from the impermissible “tacking” of two of its marks, and that the Ninth Circuit improperly treated tacking as an issue of fact. According to petitioner, such treatment reflects a split between the Ninth Circuit, on the one hand, and the Federal and Sixth Circuits, on the other hand. Petition at 1.

Tacking refers to the rule that under certain circumstances a trademark owner may maintain continuous rights in a mark after altering it. A tacking analysis rarely features in trademark disputes and does not warrant certiorari review. Tacking doctrine itself is ancillary to the purported circuit split. The few courts to consider tacking agree that its application should follow application of the broader “likelihood of confusion” standard for trademark infringement. If one is an issue of fact, the other is also an issue of fact. If one is a matter of law, the other is also a matter of law.

A well-developed circuit split exists as to whether the broader trademark infringement test should be treated as an issue of fact or a matter of law. The asserted split on tacking follows lockstep. Whether the infringement test should be applied as an issue of fact or matter of law has previously appeared before this Court many times, but it is not at issue in this Petition. Until this Court decides the broader infringement test question and the ancillary tacking question falls in line, the status quo is tolerable because substantive tacking law is uniform across the circuits.

Certiorari is further unwarranted because resolution of the asserted split is irrelevant to the outcome of this case. Tacking doctrine did not determine the outcome of this case. The tacking issue is but a subpart of the trademark priority analysis, and trademark priority is but one of three independent bases for respondent's defense judgment. The other two—unclean hands and laches—are not at issue in this Petition.

Hence, petitioner has presented no “compelling reason” for a Writ of Certiorari. *See* Sup. Ct. R. 10. The Petition should be denied.

II. STATEMENT OF THE CASE

Hana Bank is among the largest financial institutions in the Republic of Korea. Petitioner's Appendix (“App.”) 4a. It is a wholly owned subsidiary of Hana Financial Group, which was dismissed from the case on a motion for judgment as a matter of law. *Id.* at 4a, n.1. Petitioner did not appeal that dismissal, so only the case against Hana Bank remains at issue. *Ibid.*

Petitioner and respondent have a history dating many years before either used a HANA trademark. The facts surrounding their prior dealings are well stated in the Court of Appeals' opinion (*see* App. 4a-7a) and form the basis for the laches and unclean hands judgment. *Id.* at 23a-28a, 29a-31a. The Petition does not challenge that summary of facts.

A. Factual Background

Respondent began using its HANA mark in the United States, including in the form of HANA BANK, in July 1994. App. 5a, 24a. Petitioner first used the mark HANA FINANCIAL in April 1995. *Id.* at 6a.¹

The following is a timeline of relevant dates:

May 1994: Respondent began providing financial services to Korean expatriates living in the United States. App. 5a. These services initially targeted Korean-American communities in Los Angeles, Chicago, New Jersey, and San Francisco. *Ibid.* Respondent promoted its services as the HANA Overseas Korean Club. *Id.* at 5a-7a.

July 13, 1994: Respondent began advertising in the United States. App. 24a. The following advertisement appeared in multiple domestic editions of the *Korea Times*. *See* Court of Appeals Supplemental Excerpts of Record (“C.A. SER”) 206-210. The *Korea Times* was written in the Korean language, as it circulated among a Korean

1. Petitioner incorrectly asserts that it is “undisputed” that “respondents began using the mark ‘Hana Bank’ seven years after petitioner first used its mark ‘Hana Financial.’” Petition at 7.

As depicted, respondent's advertisement features the HANA BANK mark in Korean, the HANA mark in both Korean and English, including as part of the phrase HANA Overseas Korean Club, and respondent's "Dancing Man Logo," pictured below:



Between this date and the time of trial, the HANA BANK mark, the HANA mark, and the Dancing Man Logo also continuously appeared on customer applications. App. 5a.

July 1994: United States customers addressed inquiry letters to respondent by name. App. 24a.

August 5, 1994: United States customers started applying to become members of the HANA Overseas Korean Club. App. 24a. Between this date and the time of trial:

- United States customers knew that Hana Bank operated the Overseas Korean Club (*Id.* at 6a);
- Respondent was well-known worldwide, and customers knew respondent by its Hana Bank name (*Id.* at 17a);
- Respondent provided services to as many as 11,500 United States residents under its Hana Bank name (*Id.* at 6a, 25a);
- Hana Bank branches in Korea wired funds to customers in the United States almost every day (*Id.* at 6a); and

- Respondent remitted over \$37 million (under its own name) to the United States on behalf of customers (*Ibid.*).

August 15, 1994: Petitioner was incorporated. App. 6a.

April 1, 1995: Petitioner first used its HANA trademark in interstate commerce. App. 6a.

B. Procedural History

Respondent twice obtained a defense judgment on the issue of trademark priority, first as a matter of law on summary judgment and again as an issue of fact before a jury. Throughout these proceedings, petitioner alternately favored and objected to treatment of tacking as an issue of fact, but whether on summary judgment or at trial, the outcome consistently favored respondent.

1. Summary Judgment Proceedings

In 2008, respondent moved for summary judgment on the basis of its own trademark priority. App. 7a. The court issued a defense judgment, finding as a matter of law that respondent had established priority. *Ibid.* Petitioner appealed, arguing that trademark priority hinged on key findings of fact requiring a jury trial. In 2010, a Ninth Circuit appellate panel on a 2-1 basis agreed that factual issues remained, and remanded for trial. *Ibid.*

2. Jury Trial

The case was tried before a jury in May 2011. App. 8a. Petitioner, not respondent, raised the tacking issue

with the jury, and the jury was properly instructed on the subject. *Id.* at 8a-9a. Petitioner did not challenge the instruction either before the district court or at the appellate level, presumably because the instruction was substantially identical to the one proposed by petitioner. *Id.* at 9a.

The jury rejected petitioner's tacking argument, and unanimously issued a defense verdict on the basis of respondent's trademark priority. App. 9a. Following an advisory verdict on separate equitable defenses, the district court also issued judgment in favor of respondent on the basis of laches. *Id.* at 29a-30a. Finally, the court issued a defense judgment on the basis of petitioner's unclean hands. *Id.* at 30a-31a.

3. Second Appeal To The Ninth Circuit

Petitioner appealed the three-count defense judgment, this time arguing that the trial court erred by failing to decide tacking as a matter of law. App. 10a. The Ninth Circuit affirmed, holding that the properly-instructed jury was entitled to make the fact finding that the tacking doctrine applied to establish respondent's priority, and that the jury reasonably concluded that respondent's brand identity, which included HANA, HANA BANK, and the Dancing Man Logo, conveyed a consistent continuous commercial impression over the relevant time period. *Id.* at 16a.

As for the perceived circuit split involving the tacking doctrine, the Ninth Circuit explained that this actually stems from a broader split involving the likelihood of confusion test:

The Federal and Sixth Circuits evaluate tacking as a question of law consistent with their view that the analogous trademark issue of likelihood of consumer confusion is a question of law. As we view likelihood of confusion as a question of fact, we have also determined that tacking presents a question of fact. Although the other circuits have not decided the issue yet, the district courts in circuits where likelihood of confusion is a question of fact also treat tacking as a question of fact.

App. 12a, n.5 (internal citations omitted).

The appellate court was not bound to affirm the judgment simply because the trial court treated tacking as an issue of fact. Petition at 9. Indeed, the Ninth Circuit has previously held that tacking *can* be treated as a matter of law when “reasonable minds cannot differ and the evidence permits only one conclusion.” *Quiksilver, Inc. v. Kymsta Corp.*, 466 F.3d 749, 759 (9th Cir. 2006). It could have done so here, but did not because it found that the unique facts of the case support the jury’s application of the tacking doctrine.

III. SUMMARY OF ARGUMENT

Certiorari is unwarranted for three reasons:

First, certiorari would not resolve the real conflict among the circuits. Tacking is rarely applicable in trademark infringement matters. Courts’ treatment of tacking follows lockstep a split on the larger issue of whether the hallmark “likelihood of confusion” test should

be treated as an issue of fact or matter of law. This case does not present the likelihood of confusion test because it was decided at the threshold issue of trademark priority. But, once the Court takes up the likelihood of confusion question through an appropriate vehicle for review, tacking application will automatically fall into line. Until that time, separate intervention on tacking is unnecessary because the circuits apply substantive tacking law uniformly.

Second, the Ninth Circuit properly evaluated tacking as an issue of fact because it is a consumer perception inquiry suitable for evaluation by a jury, which best approximates a group of consumers. No single case outcome warrants depriving consumers from considering a consumer perception inquiry in favor of a single judge. Certainly, this case outcome does not justify such intervention. To the contrary, both the jury and the Ninth Circuit properly found tacking applicable under the unique facts of this case.

Third, this case does not present an appropriate vehicle for review because resolution of the asserted split is irrelevant to its ultimate outcome. Tacking is only one subpart of the trademark priority analysis, and the district court based its defense judgment on two additional bases, laches and unclean hands. These additional bases are not before the Court.

IV. REASONS FOR DENYING THE PETITION

A. **Certiorari Review Of This Case Cannot Remedy The True Circuit Split On Likelihood Of Confusion, Which The Tacking Split Merely Follows**

“[T]here has been scant case law interpreting the tacking test, particularly at the district court level.” 1-3 Anne Gilson LaLonde, *Gilson on Trademarks* § 3.03 (Matthew Bender). Only three circuits have evaluated whether tacking should be applied as an issue of fact or matter of law, the Federal, Sixth, and Ninth Circuits. Their treatment results from a split between all of the circuits on a much larger issue of trademark jurisprudence, namely whether the “likelihood of confusion” test for trademark infringement should itself be evaluated as an issue of fact or a matter of law.

The Court should not grant certiorari to separately review the infrequently appearing question of whether tacking should be applied as an issue of fact or matter of law. Courts’ treatment of tacking has followed lockstep the well-developed split on application of the likelihood of confusion test. Resolution of that larger question will automatically resolve the resulting tacking split. This case does not present an opportunity to address likelihood of confusion because it was resolved on the threshold issue of trademark priority. But, until the Court finds a suitable opportunity to resolve the likelihood of confusion question, inconsistency among a few circuits on application of tacking as either an issue of fact or matter of law is tolerable because substantive tacking law remains consistent. Each circuit applies the same substantive tacking test under the same narrow guidelines.

1. Tacking Versus Likelihood Of Confusion

In some cases, the tacking doctrine may be relevant to the issue of trademark priority or whether a trademark was abandoned through non-use. *See* 3 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 17:25 (4th ed. 2014). Tacking is only at issue where marks have changed over time, so it is rarely considered. 1-3 Gilson, *supra*, at § 3.03.

Two marks may be tacked where they are “legal equivalents.” *Van Dyne-Crotty, Inc. v. Wear-Guard Corp.*, 926 F.2d 1156, 1159 (Fed. Cir. 1991) (internal citation omitted). “Marks are deemed to be legal equivalents if they create the same continuing commercial impression.” Mark Gideon and Jacob Jacoby, *Continuing Commercial Impression: Applications and Measurement*, 10 Marq. Intell. Prop. L. Rev. 433, 441 (2006); *see also* *George & Co. v. Imagination Entm’t Ltd*, 575 F.3d 383, 402 (4th Cir. 2009); *Brookfield Commc’ns, Inc. v. W. Coast Entm’t Corp.*, 174 F.3d 1036, 1048 (9th Cir. 1999); *Data Concepts, Inc. v. Digital Consulting, Inc.*, 150 F.3d 620, 623 (6th Cir. 1998) (applying *Van Dyne-Crotty*); *Van Dyne-Crotty*, 926 F.2d at 1159 (internal citation omitted). The commercial impression test evaluates the perception of an average consumer to determine whether two marks are similar enough to convey the same commercial impression.

Likelihood of confusion is the hallmark test for trademark infringement under both common law and the federal Lanham Act. 15 U.S.C. §§ 1114(1), 1125(a); 4 McCarthy, *supra*, at § 23:1 (*citing* Restatement Third, Unfair Competition, § 20, comment d (1995) (“The term ‘likelihood of confusion’ has long been used to describe the

standard of liability for trademark infringement in actions at common law under federal and state trademark and unfair competition statutes.”)). Once the parties’ relative priority dates are sorted out, every claim for trademark infringement necessarily includes a likelihood of confusion analysis. 4 McCarthy, *supra*, at § 23:1. Multiple factors are assessed to evaluate whether consumers are likely to be confused. The Ninth Circuit considers eight factors reflecting the marks themselves along with their respective goods and markets. *AMF, Inc. v. Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979). Other circuits apply the same or similar tests.² The likelihood of confusion test considers whether consumers are likely to be confused into perceiving a connection or affiliation between the parties based on their respective marks.

Hence, tacking and likelihood of confusion are different inquiries, but both are the same type of test, evaluating the perceptions of average consumers.

2. See *Pignons S.A. de Mecanique de Precision v. Polaroid Corp.*, 657 F.2d 482 (1st Cir. 1981); *Polaroid Corp. v. Polarad Elecs. Corp.*, 287 F.2d 492 (2d Cir. 1961), *cert. denied*, 368 U.S. 820 (1961); *Interpace Corp. v. Lapp, Inc.*, 721 F.2d 460 (3d Cir. 1983); *Pizzeria Uno Corp. v. Temple*, 747 F.2d 1522 (4th Cir. 1984); *Oreck Corp. v. U.S. Floor Sys., Inc.*, 803 F.2d 166 (5th Cir. 1986), *cert. denied*, 481 U.S. 1069 (1987); *Frisch’s Rests., Inc. v. Elby’s Big Boy*, 670 F.2d 642 (6th Cir. 1982), *cert. denied*, 459 U.S. 916 (1982); *Helene Curtis Indus., Inc. v. Church & Dwight Co.*, 560 F.2d 1325, 1330 (7th Cir. 1977), *cert. denied*, 434 U.S. 1070 (1978); *SquirtCo v. Seven-Up Co.*, 628 F.2d 1086 (8th Cir. 1980); *Team Tires Plus, Ltd. v. Tires Plus, Inc.*, 394 F.3d 831 (10th Cir. 2005); *Sovereign Military Hospitaller Order of Saint John of Jerusalem of Rhodes and of Malta v. Fla. Priory of Knights Hospitallers of Sovereign Order of Saint John of Jerusalem, Knights of Malta, Ecumenical Order*, 702 F.3d 1279, 1294 (11th Cir. 2012); *In re E. I. Du Pont de Nemours & Co.*, 476 F.2d 1357 (C.C.P.A. 1973).

2. Whether Tacking Is Treated As An Issue Of Fact Or A Matter Of Law Follows Lockstep Application Of The Likelihood Of Confusion Test

Courts considering whether tacking should be applied as an issue of fact or as a matter of law generally hold that tacking should follow treatment of likelihood of confusion because both are the same type of test. This maxim was established by the Federal Circuit in *Van Dyne-Crotty*, 926 F.2d at 1159. It has been followed by all courts to consider the issue. *See One Indus., LLC v. Jim O'Neal Distrib.*, 578 F.3d 1154, 1160 (9th Cir. 2009); *Quiksilver*, 466 F.3d at 759; *Data Concepts*, 150 F.3d at 623-24; *Louangel, Inc. v. Darden Rests., Inc.*, 2013 WL 1223653, *2 (S.D. Tex. 2013); *Specht v. Google Inc.*, 758 F. Supp. 2d 570, 583 (N.D. Ill. 2010); *Adventis, Inc. v. Consol. Prop. Holdings, Inc.*, 2006 WL 1134129, *4+ (W.D. Va. 2006); *Patterson v. World Wrestling Entm't, Inc.*, 2006 WL 273527, *17 (E.D. Wis. 2006) (following *Navistar*); *KeyCorp v. Key Bank & Trust*, 99 F. Supp. 2d 814, 819 (N.D. Ohio 2000); *Advance Stores Co. v. Refinishing Specialties*, 948 F. Supp. 643, 653 (W.D. Ky. 1996), *judgment aff'd*, 188 F.3d 408, (6th Cir. 1999); *Navistar Int'l Transp. Corp. v. Freightliner Corp.*, 1998 WL 786388, *5 (N.D. Ill. 1998). The only anomaly is the recently decided case of *Reynolds Consumer Prods., Inc. v. Handi-Foil Corp.*, 2014 WL 794277, *3 (E.D. Va. 2014), where tacking was applied as a matter of law upon stipulation of the parties notwithstanding precedent within the Fourth Circuit previously applying the tacking standard as an issue of fact. *See Adventis*, 2006 WL 1134129 at *3.

The Ninth Circuit explained this approach in *Quiksilver*:

The Federal Circuit arrived at its conclusion by citing to, and relying on, its cases that treat “likelihood of confusion”—an analogous consideration—as a question of law. In reaching the same conclusion, the Sixth Circuit relied on the Federal Circuit’s decision in *Van Dyne-Crotty, Inc.*

In contrast, we have analyzed likelihood of confusion as a question of fact. Applying the approach of the Federal Circuit and the Sixth Circuit, we conclude that because we have analyzed the analogous consideration of likelihood of confusion as a factual question, whether tacking applies should also be analyzed as a question of fact. Although the outcome differs, the approach is consistent with that taken by our sister circuits.

Quiksilver, 466 F.3d at 759 (citations omitted).

Under this pervasive analysis, if a court finds that likelihood of confusion is a matter of law or a mixed question of law and fact, then it also finds that tacking is a matter of law. *See Data Concepts*, 150 F.3d at 623-24 (likelihood of confusion is a mixed question); *Van Dyne-Crotty*, 926 F.2d at 1159; *KeyCorp*, 99 F. Supp. 2d at 819; *Advance Stores*, 948 F. Supp. at 653 (likelihood of confusion is a mixed question).

Conversely, if a court finds that likelihood of confusion is an issue of fact, then it also finds that tacking is an issue of fact. *See One Indus.*, 578 F.3d at 1160; *Quiksilver*, 466 F.3d at 759; *Louangel*, 2013 WL 1223653 at *2; *Specht*, 758 F. Supp. 2d at 583; *Adventis*, 2006 WL 1134129 at *3+; *Patterson*, 2006 WL 273527 at *17; *Navistar*, 1998 WL 786388 at *5.

Though the two tests could theoretically be treated in isolation, courts generally agree that they should be treated consistently and that tacking merely follows likelihood of confusion. This approach is logical. Under both tests, the key inquiry is whether consumer perception should be evaluated as an issue of fact or matter of law. But, between the tests, likelihood of confusion is the hallmark trademark infringement inquiry while tacking is ancillary.

3. The Tacking Question Will Resolve Itself Upon Resolution Of The Likelihood Of Confusion Question

“While issues of priority, secondary meaning, assignment, and the like may be present in some cases, the test of likelihood of confusion is the touchstone of trademark infringement as well as unfair competition.” 4 McCarthy, *supra*, at § 23:1. The question of whether trademark consumer perception inquiries should be evaluated as an issue of fact or a matter of law should be resolved through the likelihood of confusion test rather than the comparatively rare tacking test.

The majority of circuits evaluate likelihood of confusion as an issue of fact. Specifically, the First, Third,

Fourth, Fifth, Seventh, Eighth, Ninth, Tenth, Eleventh, and D.C. Circuits apply this approach. *See De Costa v. Columbia Broad. Sys., Inc.*, 520 F.2d 499 (1st Cir. 1975), *cert. denied*, 423 U.S. 1073 (1976); *Opticians Ass'n of Am. v. Indep. Opticians of Am.*, 920 F.2d 187 (3rd Cir. 1990); *Marcon, Ltd. v. Helena Rubenstein, Inc.*, 694 F.2d 953 (4th Cir. 1982), *aff'd*, 225 U.S.P.Q. 895 (4th Cir. 1985), *cert. denied*, 474 U.S. 825 (1985); *Union Nat'l Bank v. Union Nat'l Bank*, 909 F.2d 839, n.21 (5th Cir. 1990); *Munters Corp. v. Matsui Am., Inc.*, 909 F.2d 250, 252 (7th Cir. 1990), *cert. denied*, 498 U.S. 1016 (1990); *ConAgra, Inc. v. George A. Hormel & Co.*, 990 F.2d 368 (8th Cir. 1993); *Nutri/System, Inc. v. Con-Stan Indus., Inc.*, 809 F.2d 601 (9th Cir. 1987); *Amoco Oil Co. v. Rainbow Snow, Inc.*, 809 F.2d 656 (10th Cir. 1987); *Bauer Lamp Co., Inc. v. Shaffer*, 941 F.2d 1165 (11th Cir. 1991); *Readers Digest Ass'n v. Conservative Digest, Inc.*, 821 F.2d 800, 804 (D.C. Cir. 1987).

The International Trademark Association has called upon this Court to adopt the majority standard, evaluating likelihood of confusion as an issue of fact. *See Excerpts from the International Trademark Association's Amicus Brief in L.A. Gear, Inc. v. Thom McAn Shoe Co.*, 84 Trademark Rep. 79 (1994). Only the Second, Sixth, and Federal Circuits treat likelihood of confusion as either a partial or whole matter of law. *See Murphy v. Provident Mut. Life Ins. Co.*, 923 F.2d 923 (2d Cir. 1990), *cert. denied*, 502 U.S. 814 (1991); *Wynn Oil Co. v. Am. Way Serv. Corp.*, 943 F.2d 595 (6th Cir. 1991); *Zenith Radio Corp. v. Hazeltine Research, Inc.*, 395 U.S. 100, 123 (1969), *rev'd*, 401 U.S. 321 (1971).

As the more prevalent and significant test in trademark jurisprudence, the likelihood of confusion question is the appropriate vehicle for review of whether consumer perception inquiries should be decided by a jury rather than a judge. Separate review of the comparatively rare tacking question is unnecessary because resolution of the likelihood of confusion question will effectively also resolve that split. Though not at issue in this Petition, the Court has had several occasions to address the question of how to treat likelihood of confusion, suggesting that the issue will continue to arise until it is decided in that context. *See L.A. Gear, Inc. v. Thom McAn Shoe Co.*, 988 F.2d 1117 (Fed. Cir. 1993), *cert. denied*, 510 U.S. 908 (1993); *Scandia Down Corp. v. Euroquilt, Inc.*, 772 F.2d 1423 (7th Cir. 1985), *cert. denied*, 475 U.S. 1147 (1986); *Frisch's Rest., Inc. v. Elby's Big Boy, Inc.*, 670 F.2d 642 (6th Cir. 1982), *cert. denied*, 459 U.S. 916 (1982). Resolution of that split will also resolve the resulting split on tacking.

4. Substantive Tacking Law Is Consistent Among The Circuits

This Court need not grant certiorari to correct any inconsistency in substantive tacking law because it is already uniform. Substantive tacking law is consistent among the circuits, so there is no risk of forum shopping notwithstanding that some courts consider tacking as an issue of fact and others consider it as a matter of law.

Petitioner highlights *Van Dyne-Crotty* as establishing the proper standard for tacking. Petition at 4. All circuit courts to consider tacking follow the *Van Dyne-Crotty* standard, applying tacking only where two marks are “legal equivalents” because they create “the same,

continuing commercial impression.” *See One Indus.*, 578 F.3d at 1160; *George & Co.*, 575 F.3d at 402; *Quiksilver*, 466 F.3d at 760; *In re Dial-A-Mattress Operating Corp.*, 240 F.3d 1341, 1347 (Fed. Cir. 2001); *Data Concepts*, 150 F.3d at 623. District courts have consistently applied the same test. *See, e.g., Louangel*, 2013 WL 1223653 at *2 (“Whether it is considered a question of law or fact, the test for tacking appears to be universally recited.”); *see also Specht*, 758 F. Supp. 2d at 583; *Adventis*, 2006 WL 1134129 at *4; *Patterson*, 2006 WL 273527 at *17; *KeyCorp*, 99 F. Supp. 2d at 819.

The appellate courts likewise consistently follow *Van Dyne-Crotty*’s mandate that tacking is to be used in exceptionally rare circumstances. *See One Indus.*, 578 F.3d at 1160; *George & Co.*, 575 F.3d at 402; *Quiksilver, Inc.*, 466 F.3d at 758; *Data Concepts*, 150 F.3d at 623. District courts act in conformity. *See, e.g., Louangel*, 2013 WL 1223653 at *3; *Specht*, 758 F. Supp. 2d at 583; *Adventis*, 2006 WL 1134129 at *4; *KeyCorp*, 99 F. Supp. 2d at 819.

This case’s individual result does not alter the uniformity with which substantive tacking doctrine is applied nor demonstrate that a jury is more likely to allow tacking than a judge, as suggested by petitioner. To the contrary, priority was found both on summary judgment by a judge and following trial by a jury in this case. App. 7a-9a. On appeal, the Ninth Circuit specifically followed *Van Dyne-Crotty*, *Data Concepts*, and the mandate that tacking be applied sparingly. *Id.* at 13a-14a, n.7. The unique facts of this case simply present one of the “exceptionally rare” circumstances where tacking is permissible under *Van-Dyne Crotty*.

A survey of tacking law across the circuits, and even in this case, demonstrates that substantive tacking law is consistent and uniform thereby eliminating any meaningful risk of forum shopping. Separate intervention on the question of whether tacking is applied as an issue of fact or matter of law is unwarranted because substantive tacking law is itself consistent, with each circuit applying the same test under the same narrow guidelines.

B. The Ninth Circuit's Decision Is Correct

The Court's intervention is further unwarranted because the Ninth Circuit properly followed the majority of district courts in evaluating tacking as an issue of fact in this case. As a consumer perception inquiry, tacking should be applied as an issue of fact, not as a matter of law. Both the jury and the Ninth Circuit properly found tacking applicable under the unique facts of this case.

1. The District Court And The Ninth Circuit Properly Evaluated Tacking As A Factual Issue, Not As A Matter Of Law

The tacking standard should be evaluated as an issue of fact, not as a matter of law. When tacking is applied as a matter of law, only the marks themselves are evaluated for *prima facie* similarity. See *Data Concepts*, 150 F.3d at 623 (“A determination of legal equivalence may be based on ‘the visual or aural appearance of the marks themselves.’”) (citations omitted). However, when applied as an issue of fact, marketplace realities also come to bear on assessing consumer perception. See, e.g., *Adventis*, 2006 WL 1134129 at *5 (“Both [the likelihood of confusion and tacking] analyses are inherently factual because they depend on

the unique facts and circumstances of each case, and the fact finder must ultimately weigh the merits of the issue when facts are disputed.”) (citations omitted); *see also* 3 McCarthy, *supra*, at § 17:26; Mark & Jacoby, *supra*, at 457 (the tacking inquiry should be made by evaluating a variety of evidence demonstrating consumers’ perception, ideally including survey evidence). The latter approach, taken by the Ninth Circuit and district courts evaluating tacking as an issue of fact, is correct because it better evaluates the ultimate tacking inquiry—how consumers perceive the marks in question.

Petitioner suggests that because tacking is allowed where two marks are “legal equivalents” the test must be “legal” in nature and therefore appropriate for a judge instead of a jury. Petition at 22. This argument shortchanges the actual test. The tacking test evaluates whether two marks create the “same commercial impression” to determine whether they are indeed legal equivalents. *Van Dyne-Crotty*, 926 F.2d at 1160; *see also* 1-3 Gilson, *supra*, at § 3.03 (“A trademark owner may ‘tack’ its use of an earlier mark onto a later mark for priority purposes if the two marks are used in connection with the same goods or services and make the ‘same, continuing commercial impression’ on members of the relevant purchasing public.”).

Commercial impression is the meaning, idea, or mental impression that a trademark conveys or evokes. Mark & Jacoby, 10 Marq. Intell. Prop. L. Rev. at 434 (*citing Spice Islands, Inc. v. Frank Tea & Spice Co.*, 505 F.2d 1293, 1296 (C.C.P.A. 1974)). Whether two marks create the same commercial impression is a consumer perception inquiry; it is the impression of ordinary purchasers of the

product in question that matters. *See Brookfield*, 174 F.3d at 1048 (“[T]acking should be allowed if two marks are so similar that consumers generally would regard them as essentially the same.”); *Data Concepts*, 150 F.3d at 623 (tacking is permitted “only if . . . consumers consider both as the same mark”); *Van Dyne-Crotty*, 926 F.2d at 1159 (“the consumer should consider both as the same mark”).

A consumer perception test fundamentally differs from patent construction, which petitioner incorrectly proffers as an analogous judicial function. “A patent is a legal instrument, to be construed, like other legal instruments, according to its tenor.” *Markman v. Westview Instruments, Inc.*, 517 U.S. 370, 388 (1996). Construing legal documents, as in patent construction, is “one of those things that judges often do and are likely to do better than jurors.” *Ibid.* But, consumer perception plays no role in patent construction. In the context of petitioner’s patent analogy, commercial impression is more akin to whether two products are sufficiently similar to be infringing, an issue reserved for the jury in patent cases. *Id.* at 386.

Petitioner would give the “central place” in evaluating tacking to the “role of precedent” as applied by a judge. Petition at 10, 21-22. On the contrary, that central place belongs to consumers. Tacking “requires a highly fact-sensitive inquiry.” *One Indus.*, 578 F.3d at 1160. Evaluating facts on a case-by-case basis to discern a brand’s commercial impression is the critical inquiry. *See, e.g., Brookfield*, 174 F.3d at 1048; *Data Concepts*, 150 F.3d at 623; *Van Dyne-Crotty*, 926 F.2d at 1159. Past precedent, which represents other trademarks evaluated under different factual circumstances, is less instructive. Petitioner cites numerous non-trademark cases in support

of its contrary theory. See *Ornealas v. United States*, 517 U.S. 690, 697 (1996) (considering probable cause under the Fourth Amendment); *Salve Regina Coll. v. Russell*, 499 U.S. 225, 227-28 (1991) (breach of contract and related claims stemming from a university's refusal to educate an obese nursing student who failed to lose weight); *Bose Corp. v. Consumers Union of U.S., Inc.*, 466 U.S. 485, 488 (1984) (considering a product disparagement action). These cases are inapposite as they address non-analogous causes of action, none of which require an analysis of consumer perception.

Consumer perception inquiries are best left to jury members who approximate everyday consumers, whose opinion is paramount in this inquiry. Trademark scholar J. Thomas McCarthy agrees, criticizing *Van Dyne-Crotty*, and arguing that tacking should be applied as an issue of fact:

In the author's view, whether two marks present the same commercial impression to allow tacking should be an issue of fact, not an issue of law. Statements in some cases that the "legal equivalents" question is one of law cannot be correct. "Commercial impression," like most issues in trademark law, should be determined from the perspective of the ordinary purchaser of these kinds of goods or services.

3 McCarthy, *supra*, at § 17:26 (internal citations omitted).

Historically, "[c]ourts have expressed reluctance toward placing themselves in the role of the relevant consumer." 1-3 Gilson, *supra*, at § 3.03, n.22.6 (*citing*

Triangle Pubs., Inc. v. Rohrllich, 167 F.2d 969, 976 (2d Cir. 1948) (Frank, J., dissenting) (“As neither the trial judge nor any member of this court is (or resembles) a teenage girl or the mother or sister of such a girl, our judicial notice apparatus will not work well unless we feed it with information directly obtained from ‘teen-agers’ or from their female relatives accustomed to shop for them.”)).

In the tacking context, “[t]he opinion of a court sitting in its ivory tower sheds no light on an issue in which the everyday consumer is the more adept expert.” *Adventis*, 2006 WL 1134129 at *5. The Sixth and Federal Circuit’s contrary conclusion treating legal equivalence as a pure question of law “seems infirm.” Mark & Jacoby, 10 Marq. Intell. Prop. L. Rev. at 441.

Marks are deemed to be legal equivalents if they create the same continuing commercial impression. The impression is one that is created in consumers. Insofar as the consumers’ perspective is determinative, it seems counter-intuitive to conclude, as have the Federal and Sixth Circuits, that the only relevant evidence is that of the visual or aural appearance of the marks themselves.

Id. at 441-42. The jury should evaluate not only the marks in question, but the marketplace realities surrounding those marks to determine whether, taken together, those marks create a continuing commercial impression. *Id.* at 443-44.

The majority of district and reviewing courts to consider this issue have decided it correctly, finding that both likelihood of confusion and tacking should be applied as an issue of fact. *See One Indus.*, 578 F.3d at 1160; *Quiksilver*, 466 F.3d at 759; *Louangel*, 2013 WL 1223653 at *2; *Specht*, 758 F. Supp. 2d at 583; *Adventis*, 2006 WL 1134129 at *3+; *Patterson*, 2006 WL 273527 at *17; *Navistar*, 1998 WL 786388 at *5. As more appellate courts consider the issue, and follow likelihood of confusion application, the result will be that a majority of circuits correctly apply the tacking test as an issue of fact without the need for this Court to intervene.

2. The Jury Correctly Decided This Case

The specific facts of this case do not justify review, contrary to petitioner's assertion that this case's result demonstrates why tacking should be resolved by a judge instead of a jury (Petition at 23-24). The policy that a jury is particularly well-suited to determine consumer perception issues is not altered by a jury's conclusion in any one particular case. But, if the Court were to evaluate the unique facts of this case, it would find that tacking was properly permitted.

The jury's conclusion was supported by evidence demonstrating that respondent's brand remained consistent between its United States launch in 1994 and the time of trial. The jury considered respondent's marks themselves, early advertisements and customer applications all featuring the respondent's trademarks and logo, and evidence of respondent's long-standing, substantial business with United States residents under its well-known name. *See Advertising Images*, Section

II(A), *supra*; App. 5a-6a, 16a. It also considered evidence about respondent's target market. App. 5a. These unique market factors supported application of the tacking doctrine in this case. Evaluating the jury's conclusion, the appellate court explained:


[Consumers] would have regarded the Bank's name as "Hana Bank" in English rather than some other possible translation, such as "One Bank." "Overseas Korean Club" and "World Center" would then be non-essential as they merely conveyed what the ordinary purchasers would have already surmised: that the well-known Korean bank was offering financial services to individuals like them living outside of Korea.

Id. at 17a-18a. Reevaluation of these facts is not warranted on certiorari. *Graver Tank & Mfg. Co. v. Linde Air Prods. Co.*, 336 U.S. 271, 275 (1949) ("[A] court of law, such as this Court is, rather than a court for correction of errors in fact finding, cannot undertake to review concurrent findings of fact by two courts below in the absence of a very obvious and exceptional show of error.").

The Ninth Circuit's decision affirming the district court aligns with numerous other decisions allowing trademark tacking. *See, e.g., Sands, Taylor & Wood Co. v. Quaker Oats Co.*, 978 F.2d 947, 955 (7th Cir. 1992) (finding priority for THIRST-AID based on use of THIRST AID FIRST AID FOR YOUR THIRST); *Forum Corp. of N. Am. v. Forum, Ltd.*, 903 F.2d 434, 441 (7th Cir. 1990) (THE FORUM CORPORATION OF NORTH AMERICA, THE FORUM CORPORATION and THE FORUM found to

create the same overall commercial impression); *Hess's of Allentown, Inc. v. Nat'l Bellas Hess, Inc.*, 169 U.S.P.Q. 673, 674, 677 (T.T.A.B. 1971) (tacking permitted as between HESS BROTHERS, HESS'S OF ALLENTOWN, HESS, and HESS'S).

The tacking cases described by petitioner are inapposite, as they do not address an analogous situation where a descriptive or generic product name is added to a distinctive house brand. In contrast to this case, *Van-Dyne-Crotty* considered the addition of a distinctive advertising slogan. *Van Dyne-Crotty*, 926 F.2d at 1159-60 (CLOTHES THAT WORK and CLOTHES THAT WORK. FOR THE WORK YOU DO.). Additionally, different market factors appeared to influence the *Van-Dyne-Crotty* court's conclusion, as the party seeking to tack had acquired the CLOTHES THAT WORK. FOR THE WORK YOU DO. trademark from a third party for the express purpose of trying to establish priority. *Ibid.*

The *Data Concepts* court addressed changes in stylization and capitalization. *Data Concepts*, 150 F.3d at 623 ( versus **DCI.com**) (image depicted in 3 McCarthy, *supra*, at § 17:27). The appellate court properly distinguished that decision on the basis that neither were at issue in the case at bar, where respondent's use of the Dancing Man Logo was consistent over time. App. 13a-14a, n.7.

In *Am. Paging Inc. v. Am. Mobilphone Inc.*, 13 U.S.P.Q.2d 2036, 2038 (T.T.A.B. 1989), the Trademark Board considered market factors beyond the marks themselves, namely that AMERICAN MOBILPHONE and AMERICAN MOBILPHONE PAGING had been specifically used to appeal to different customer markets.

Id. at 2039. Differences in the way those marks were actually used weighed against tacking notwithstanding that the marks themselves were visually similar. *Ibid.* Notably, the facts of that case were expressly distinguished from a situation where the term “bank” was properly appended to a house brand. *Ibid.* Adding “bank” merely communicates a banking institution’s services so does not alter two marks’ legal equivalence, a conclusion which bolsters the decision in this case.

C. Because The Tacking Issue Is Irrelevant To The Case’s Ultimate Outcome, It Does Not Merit Review

Certiorari is further unwarranted because resolution of the question presented is irrelevant to the case’s ultimate outcome, as the judgment below was based on additional grounds not before this Court.

1. The Defense Judgment Is Based On Two Independent Theories Not Before This Court

The defense judgment was based on three independent theories: (i) trademark priority; (ii) laches; and (iii) unclean hands. App. 9a. The Petition raises only the issue of tacking, which is only a subpart of the trademark priority finding. Petition at 1. Petitioner has not presented any question regarding laches or unclean hands. *See* Sup. Ct. R. 14.1(a) (“Only the questions set out in the petition, or fairly included therein, will be considered by the Court.”); *Radzanower v. Touche Ross & Co.*, 426 U.S. 148, 151, n.3 (1976) (“[W]e consider only the questions set forth in the petition or fairly comprised therein.”)(internal quotation marks and brackets omitted).

The finding of laches offers a complete and independent basis for a defense judgment. *Jarrow Formulas, Inc. v. Nutrition Now, Inc.*, 304 F.3d 829, 835 (9th Cir. 2002) (“laches is a valid defense to Lanham Act claims”), *cert. denied*, 537 U.S. 1047 (2002); *see also Ancient Egyptian Arabic Order v. Michaux*, 279 U.S. 737, 748 (1929) (laches barred relief on pre-Lanham Act common law claim); *Creswill v. Grand Lodge Knights of Pythias*, 225 U.S. 246, 262-63 (1912) (barring relief on analogous common law claim).

Likewise, the finding of unclean hands presents a complete and independent bar against petitioner’s claims. *Worden v. Cal. Fig Syrup Co.*, 187 U.S. 516, 535 (1903) (“[i]t is well settled that if a person wishes his trade mark property to be protected by a court of equity, he must come into court with clean hands”); *Japan Tel., Inc. v. Japan Tel. Am., Inc.*, 287 F.3d 866, 870 (9th Cir. 2002) (“Unclean hands is a defense to a Lanham Act infringement suit.”).

Hence, even if the tacking standard were applied as advocated by petitioner, the defense judgment would stand. This case is a poor vehicle for review because a decision by this Court would not change its outcome.

2. Respondent Established Priority Without Invoking Rules Of Tacking

Respondent need not rely on tacking to establish trademark priority and did not expressly do so at trial. The jury found that respondent had priority without specific reference to trademark tacking. Court of Appeals Excerpts of Record 37. Even if this Court were to prohibit consideration of “HANA Overseas Korean Club” in the

priority analysis, sufficient evidence remains to affirm the jury's verdict because respondent independently established trademark priority based on use of the composite mark HANA BANK continuously since 1994.

The HANA BANK mark appeared numerous times in both advertising and on its ongoing customer applications. *See* Advertising Images, Section II(A), *supra*; App 5a, App. 24a. Respondent provided continuous, substantial services to those customers under its well-known name between 1994 and the time of trial. *See* Section II(A), *supra*. Respondent's Korean target market, which was already familiar with respondent due to its large Korean presence, was another unique factor leading the Ninth Circuit to affirm the jury's priority finding. App. 17a ("The ordinary purchasers of these services were Korean-speaking consumers (consisting of Korean expatriates and Korean Americans) that likely had a preexisting awareness of the Bank due to its ongoing business presence in Korea.").

The jury's priority finding in this case was fact-specific based on respondent's advertising efforts and ongoing business with United States customers under its well-known name. Reevaluation of the particular facts of this case does not justify certiorari review. *See* Sup. Ct. R. 10 ("petition for a writ of certiorari is rarely granted when the asserted error consists of erroneous factual findings or the misapplication of a properly stated rule of law"); *Graver Tank*, 336 U.S. at 275; *United States v. Johnston*, 268 U.S. 220, 227 (1925) ("We do not grant a certiorari to review evidence and discuss specific facts.").

CONCLUSION

Petitioner has not established any compelling reasons for this Court to grant its Petition. Therefore, respondent respectfully requests that the Petition be denied.

Respectfully submitted,

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